



APPENDIX

OREGON LIQUIDATION STATUTE

Oregon Laws 1935, Chapter 176, Section 60, (Oregon Code Ann. 1935 Supp. Section 25-3,101):

"During the possession of and pending the process of liquidation of a savings and loan association by the corporation commissioner, as herein provided, no attachment or execution shall be levied or lien created upon any of the property of such association. In liquidating a savings and loan association, as in this act provided, the corporation commissioner shall first prepare a complete statement of the assets of the association. He shall then cause due notice to be given by publication, for four successive weeks, in some newspaper published at or near the principal place of business of such association, requesting all persons having claims against it as creditors, shareholders, members or investors, to present same and make legal proof thereof, at a place and within a time to be designated in such notice, and he shall cause a copy of such notice to be mailed to all persons whose names appear of record, upon its books as creditors, shareholders, members or investors; and, upon the expiration of the time fixed for the presentation of claims, the corporation commissioner shall prepare or cause to be prepared a full and complete schedule of all claims presented, specifying by classes those that

have been approved and those that have been disapproved, and file in the offices of the corporation commissioner. Claims that are rejected shall be so marked with the date of such rejection and, within 10 days thereafter, notice thereof shall be mailed to all claimants whose claims have been so rejected. Action to enforce payment of any rejected claim must be filed in a court having jurisdiction thereof in the county in which the principal office of said association is located, within 30 days from and after the date of such notice; otherwise all such actions shall forever be barred. The corporation commissioner may, under his hand and official seal, appoint one or more examiners to assist in the duties of liquidation and distribution, under his direction, and also may employ such counsel and clerical assistance as may be needful and requisite, and fix reasonable salaries and compensation to be allowed and paid to each. All such salaries, together with such other reasonable and necessary expenses as may be incurred in the liquidation, shall be paid by him from the funds of such association in his hands, and from the net realization of assets, in excess of such salaries and expenses, the corporation commissioner shall first pay all approved claims of creditors, and thereafter he shall distribute and pay dividends, in liquidation, to the shareholders other than reserve fund, as soon as funds are available therefor, and so continue until all the assets have been realized upon a final dividend in liquidation

shall be declared and paid. Upon the payment of a final dividend in liquidation, the corporation commissioner shall prepare and file in his office a full and final statement of the liquidation, including a summary of the receipts and disbursements. The directors, stockholders or any interested party thereupon shall have 30 days in which to file with the circuit court of the county in which the principal office of the association is located, any objections to said final report and account. Any objections not so filed forever shall be barred. After said filed objections, if any, have been finally disposed of by the court, the liquidation shall be deemed closed, except for an accounting to the reserve fund stockholders, if any.

The corporation commissioner may deposit with the state treasurer of the State of Oregon such unclaimed dividends and funds of a domestic savings and loan association, the assets of which have been liquidated, remaining in his hands at any time after six months following the order for final distribution. Said funds shall thereupon escheat to and become the property of the state of Oregon and shall be paid into and become a part of the common school fund of the state. The owner, his or her heirs or personal representatives, may reclaim any funds so deposited within the time and in the manner as provided for estates which have escheated to the state. The interest earned on any such dividend accounts while they remain in the possession of the corpora-

tion commissioner may be applied to defray the expenses of payment and distribution of such dividends and the owner, his or her heirs or personal representative, shall have no claim thereto.

Where any files, records, documents, books of account or other papers have been taken over and are in possession of the corporation commissioner in connection with the receivership of any savings and loan association under the laws of this state the corporation commissioner may, in his discretion, at any time after the expiration of six years from the declaration of the final dividend, or from the date when such receivership has by order of the court been declared closed, destroy any of the files, records, documents, books of account or other papers which may appear to the corporation commissioner to be obsolete or unnecessary for future reference as part of the files of his office.

Upon taking possession of the property and business of any savings and loan association, either for the purpose of operating or liquidation, the corporation commissioner:

1. Shall apply to the circuit court in and for the judicial district in which the principal office of the savings and loan association shall be located, for an order confirming any action theretofore taken by him or authorizing him to do any act or execute any instrument, not expressly authorized by this act, which order shall be made and entered only after

a hearing and upon such notice as the court shall prescribe.

2. Shall apply to said circuit court for instructions or directions relating to the claims of creditors and rights of members and to such other matters affecting the interests of said association, its members and creditors, and for such purpose the said circuit court shall have original jurisdiction in equity of all proceedings growing out of the operation or liquidation by the corporation commissioner of said associations, pursuant to the provisions of this act, with power in said court on petition of the corporation commissioner, and notice to all persons affected thereby, to declare the rights, status and other legal relations of all persons interested as debtor, creditor, or member of such association.

3. Shall disaffirm, within 60 days after taking such possession, any executory contracts, including leases, to which such association shall be a party, and may disaffirm any partially executed contracts, including leases, to the extent that they shall remain executory.

Upon taking possession of the properties and business of any savings and loan association, either for the purpose of operation or liquidation, the corporation commissioner is authorized to do and perform such acts as may be deemed necessary to preserve and protect its assets and business, and, upon

the order of the circuit court in and for the judicial district in which the principal office of such association was located, may sell, settle, compromise or compound any bad or doubtful debts, claims or obligations owing to or by the association, and, on like order, may sell, exchange or otherwise dispose of any of the real estate or other property of such association, or may transfer, sell or otherwise dispose in whole or in part, its assets, engagements, funds and property on such terms as the court shall direct and, upon the terms of sale, exchange, compromise or settlement directed by the court, shall make, execute and deliver such deeds or other instruments in writing as shall be deemed necessary to evidence the passing of the title, and, upon payment in full of any mortgage owing to the association may, without any such order of court make, execute and deliver such instrument or instruments in writing as may be deemed necessary to satisfy and discharge the same of record, and any instrument executed pursuant to the authority hereby given, shall be valid and effectual for all purposes, as though the same had been executed by the officers of such association by authority of its board of directors. If any real estate of the association so sold, exchanged or otherwise disposed of is situated outside the county in which the principal office of the association was located, a certified copy of the order of court authorizing the sale, exchange or disposition thereof shall be filed in the office of the county

clerk or recorder of conveyances of the county in which such real property is situated.

The corporation commissioner may, after he has taken possession of the property and business of a domestic or foreign savings and loan association, apply to the circuit court of the county in which the receivership proceedings are pending, for an order directing him to cause any safe, safety vault or safety deposit box held by such association (whether it is upon the premises of such association or elsewhere located) to be thereafter opened in his presence or in the presence of an examiner and in the presence of a notary public not an officer of, or in the employ of, such savings and loan association, or of the corporation department and an officer of said association if available, and the contents, if any, listed; one signed copy to be delivered to the corporation commissioner, and a second signed copy to be retained by such notary public, and a third signed copy to go to said officer of the corporation, and the contents to be enclosed in a container which is to be distinctly marked by such notary public and delivered to the corporation commissioner. The container shall be kept by the corporation commissioner in his custody and control for use in the administration of the affairs of the savings and loan association, as provided by law. Such contents shall be held subject to the payment of any rent that may be unpaid for the use of such safe, safety vault, or safety

deposit box, and also any expenses incurred in opening the safe, vault or box, and also reasonable compensation for the safe keeping of the contents after their removal from the safe, vault or box.

Any suits or actions by or against or on behalf of any association in the possession of the corporation commissioner shall, if by the association, be instituted by the corporation commissioner, in his official capacity as statutory receiver of the association, and if against the association, shall be against such corporation commissioner as statutory receiver thereof, any pending suits or actions by or against or on behalf of the association to be continued only by and in the name of or against such corporation commissioner in his official capacity.

Wherever the corporation commissioner has heretofore taken possession of any savings and loan association for purpose of operation or liquidation, in the exercise of his power and authority under the provisions of the savings and loan laws of this state, all deeds, bills of sale, satisfactions of mortgages, assignments, conveyances, transfers, or other instruments, which have heretofore been, or which shall hereafter be executed, acknowledged and delivered in good faith and for valuable consideration, by the corporation commissioner or the savings and loan supervisor, or any duly appointed deputy of said corporation commissioner, on behalf of such association, hereby are validated, ratified, confirm-

ed and declared to be legal and entitled to record, and they shall have the same binding force and effect upon all parties affected thereby, and upon all rights affected thereunder, as though said instruments had been executed by the officers of said associations, by authority of its board of directors.

Statute under which Oregon Commissioner took possession, Oregon Laws 1931, Chapter 373, Section 57 (Oregon Code, Ann. 1935 Supp. Section 25-398):

“Whenever it shall appear to the corporation commissioner that the capital of a savings and loan association is impaired, or that its affairs are in an unsafe condition or that it is conducting its business in an unsafe or unlawful manner, the corporation commissioner may direct the supervisor of savings and loan associations to take possession of all books, records and assets of every description of such association and hold and retain the possession of same pending the further proceedings herein specified. Should the board of directors, secretary or person in charge of such association refuse to permit the said supervisor to take possession as aforesaid, the corporation commissioner shall communicate such fact to the attorney general, whereupon it shall become the duty of the attorney general at once to institute such proceedings as may be necessary to place such supervisor in immediate possession of the property of such association. Upon taking possession of the effects of the association as aforesaid said supervisor shall prepare a full and true statement of the affairs and condition of such association, including an itemized statement of its assets and liabilities, and shall receive and collect all debts, dues, payments and claims belonging to it and pay the immediate and reasonable expenses of his trust. Such

supervisor or deputy in charge shall be required to execute to the corporation commissioner a good and sufficient bond in a sum required by the corporation commissioner conditioned upon the faithful discharge of his duties as custodian of such association, which said bond shall be approved by the corporation commissioner, and the expenses of which shall be borne by the association under examination.

When the condition of such association has been fully ascertained, and it shall appear to the corporation commissioner that the affairs of said association are in fact in an unsafe condition, the corporation commissioner shall at once notify in writing the board of directors of such association of his decision, giving them 20 days in which to restore the affairs of such association to a safe condition. Meanwhile, the supervisor shall remain in charge of the books, records and assets of every description of such association, attend or be represented at all directors' and stockholders' meetings held, and suggest such steps as he may deem necessary to restore such association to a safe condition; and if same is not done within the 20 days allowed by the statute he shall report the facts to the corporation commissioner, who shall take full possession of the properties and business of such association and may, if he deems advisable, proceed to liquidate as elsewhere provided in this act, subject, however, to the right of the directors to apply to the circuit court of

the county where the principal office of the association is located, as provided in Section 52 of this act, to restrain the corporation commissioner from such procedure.

If, upon final hearing in said court the acts of the corporation commissioner shall be disapproved by the court, the corporation commissioner shall cause all reasonable expenses incurred by him during his occupancy or possession, including not exceeding \$10.00 per diem, for each business day, as the compensation of the custodian, to be paid from the funds of such association and restore the balance of the property and assets thereof to the possession of the proper officers of said association."

Oregon Preference Statute:

Oregon Laws 1931, Chapter 373, Section 63: (Oregon Code Ann. 1935 Supp. Section 25-3,104):

"No certificate of authority shall be issued to a foreign savings and loan association by the corporation commissioner until the said corporation commissioner shall be satisfied that the requirements of this law have been fully met by such association. Before such certificate of authority shall be issued, such foreign savings and loan association shall comply with the following provisions:

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3. It shall deposit with the corporation commissioner \$100,000 in cash or bonds of the United States, or bonds of any state of the United States, or bonds of any county or municipal corporation in the state of Oregon, or mortgages on improved Oregon real estate of a character acceptable for investment by an association governed by this act, all of which securities shall be approved in advance by the corporation commissioner. The corporation commissioner shall have authority to require such association to deposit additional securities, and to order a change in all of the securities so deposited, at any time. Such deposit shall be held as security until all claims of residents of this state shall have been fully redeemed and paid off and its contracts and obligations to residents of this state have been fully performed and discharged."